

Leith Wheeler Balanced Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2023



This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-292-1122, by writing to us at 1500 – 400 Burrard Street, Vancouver, BC V6C 3A6 or by visiting our website at www.leithwheeler.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

To provide investors with a relatively stable, superior long-term rate of return, through a balanced portfolio of common shares and fixed income securities. This Fund invests primarily in Canadian issuers and may invest in foreign securities. The Fund invests in a broad range of companies and is not restricted by capitalization or industry sectors although portfolio diversification is a consideration in the selection of securities for the Fund.

Although Leith Wheeler Investment Counsel Ltd. (the “Manager”) will change the investment mix between fixed income and equity securities as opportunities arise, a portion of the Fund will be maintained in each class. The allocation is determined by the Manager, as opportunities arise, although the Fund’s equity portion will range between 40% and 75% of its total assets. The maximum invested in foreign securities is not expected to exceed 40% of the net assets of the Fund at the time of investment. The fixed income securities provide lower risk income while the common shares provide an opportunity for capital gains. Investors participate in a professionally managed portfolio in which specific security selection and asset mix decisions will be made by experienced portfolio managers.

Risk

The overall risks of investing in the Fund are as described in the Simplified Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk.

Results of Operations

The Fund’s net assets increased by 2% in the first half of 2023 to \$244.4 million from \$239.7 million at the end of 2022. Of this change, \$12.1 million was attributable to positive investment performance and \$7.4 million of net outflows from unitholders.

As of June 30th, 2023, the Balanced Fund Series A increased 5.2% before fees, Series B increased 4.6% after fees and expenses, and Series F increased 4.7% after fees and expenses.

2023 started off on a positive note for markets but volatility returned with two significant events occurring in early March. The first was crypto-focused bank Silvergate Capital announcing that it was shutting down its operations. The second was Silicon Valley Bank (“SVB”) coming to market to raise capital after it had been forced to sell a large portion of their available-for-sale securities at a loss. This triggered panic in the US financial system, which put other regional banks under pressure and ultimately led to the demise of SVB. Even with the pullback in March, markets still experienced a positive quarter with the S&P/TSX Composite Index increasing 4.9% and the S&P 500 and MSCI EAFE indices rising 7.3% and 8.2%, respectively. Fixed Income portfolio returns were also positive with the FTSE Canada Universe Bond Index up +3.2% as yields declined slightly during the quarter.

The second quarter of 2023 ended with most markets around the globe higher than where they started. A late rally in June pushed Canadian and International indices into positive territory, while the US market was propelled higher by the large technology companies that drove performance in the first quarter. It is remarkable that an index as large as the S&P 500 is now dominated by a handful of companies. In fact, Facebook (Meta), Apple, Amazon, Netflix, Google (Alphabet), Microsoft, NVIDIA, and Tesla have accounted for over 80% of the index returns this year. If you removed these companies from the S&P 500, the index would be up just over +2.5% rather than +14.1% in 2023 (in Canadian dollars). Against this backdrop, our US portfolios have struggled to keep pace with the market, but our Canadian and Non-North American portfolios have performed well against their respective benchmarks so far this year. Bond prices fell during the quarter as interest rates increased with inflation remaining top of mind for investors.

Given our disciplined approach, we remain excited about the opportunities in the Fund regardless of what happens to the economy in the near term. We continue to own and look for companies that we believe are trading at prices significantly less than they are worth. We also believe fixed income markets look more compelling than they have for well over a decade given current yields. Although inflation will remain a significant challenge going forward, we feel our portfolios are well positioned in the current market environment.

Recent Developments

In July 2023, equity indices increased, while the bond index decreased: S&P/TSX Composite Index (+2.6%); S&P 500 (C\$) (+2.7%), MSCI EAFE – Net Index (C\$) (+2.8%); and FTSE Canada Universe Bond Index (-1.1%).

Management Discussion of Fund Performance (cont.)

Related Party Transactions

Leith Wheeler Investment Counsel Ltd. (the “Manager”) is the manager and portfolio advisor of the Fund and is responsible for the Fund’s day-to-day operations. The Fund pays the Manager a management fee as compensation for managing the investment portfolio of the Fund.

As at June 30, 2023, the Fund owned 2,854,161 Series A units of the Leith Wheeler International Equity Plus Fund, 821,825 Series A units of the Leith Wheeler U.S. Small/Mid-Cap Equity Fund, and 992,544 Series A units of the Leith Wheeler Multi Credit Fund, which are funds under common management.

Management Fees

The Manager provides the Fund with investment management services, including fund accounting and unitholder record keeping. In return, the Manager receives a management fee based on the net assets of the Fund, calculated on a daily basis. The annualized management fee for the Series B and Series F units of the Fund are 1.10% and 0.85%, respectively. During the year, the Fund paid the Manager \$367,071 for Series B and \$17,757 for Series F (exclusive of GST/HST) of its net assets as management fees. The Fund does not reimburse the Manager for operating costs incurred in administering the Fund. The Manager paid all operating expenses except brokerage commissions, transaction charges and taxes. In respect of Series A units, the unitholder pays the Manager a negotiated management fee outside the Fund.

We do not directly or indirectly pay fees, sales commissions or trailing commissions, nor do we provide any non-monetary benefits to registered dealers for distributions of units of the Fund. If a broker charges you a commission or fee, that is a matter between you and the dealer.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

Series A (inception September 10, 2015)	June 30, 2023	2022	2021	2020	2019	2018
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$27.16	\$29.56	\$27.21	\$26.16	\$23.81	\$25.81
Increase (decrease) from operations:						
Total revenue	0.50	0.65	0.96	0.78	0.83	0.67
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	0.33	0.10	1.13	0.30	0.43	0.37
Unrealized gains (losses) for the year	0.58	(1.78)	1.84	0.91	2.01	(1.85)
Total increase (decrease) from operations ⁽¹⁾	1.41	(1.03)	3.93	1.99	3.27	(0.81)
Distributions:						
From income (excluding dividends)	(0.22)	(0.32)	(0.25)	(0.22)	(0.19)	(0.29)
From dividends	(0.31)	(0.63)	(0.50)	(0.52)	(0.49)	(0.43)
From capital gains	-	-	(0.82)	(0.05)	(0.18)	(0.21)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.53)	(0.95)	(1.57)	(0.79)	(0.86)	(0.93)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$28.03	\$27.16	\$29.56	\$27.21	\$26.16	\$23.81

Series B	June 30, 2023	2022	2021	2020	2019	2018
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$28.12	\$30.28	\$27.91	\$26.81	\$24.37	\$26.32
Increase (decrease) from operations:						
Total revenue	0.51	1.38	0.99	0.76	0.84	0.84
Total expenses	(0.08)	(0.20)	(0.24)	(0.30)	(0.28)	(0.26)
Realized gains (losses) for the year	0.34	0.21	1.16	0.30	0.43	0.47
Unrealized gains (losses) for the year	0.60	(3.79)	1.86	0.88	2.03	(2.33)
Total increase (decrease) from operations ⁽¹⁾	1.37	(2.40)	3.77	1.64	3.02	(1.28)
Distributions:						
From income (excluding dividends)	(0.02)	-	-	-	-	-
From dividends	(0.29)	(0.18)	(0.46)	(0.45)	(0.36)	(0.32)
From capital gains	-	-	(0.84)	(0.05)	(0.18)	(0.22)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.31)	(0.18)	(1.30)	(0.50)	(0.54)	(0.54)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$29.09	\$28.12	\$30.28	\$27.91	\$26.81	\$24.37

Financial Highlights (cont.)**The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit (cont.)**

Series F (inception September 10, 2015)	June 30, 2023	2022	2021	2020	2019	2018
Net assets attributable to holders of redeemable units - per unit, beginning of year ⁽¹⁾	\$26.61	\$28.88	\$26.56	\$25.43	\$23.08	\$25.22
Increase (decrease) from operations:						
Total revenue	0.53	0.81	0.95	0.61	0.79	1.11
Total expenses	(0.12)	(0.25)	(0.26)	(0.24)	(0.20)	(0.31)
Realized gains (losses) for the year	0.35	0.13	1.11	0.24	0.41	0.64
Unrealized gains (losses) for the year	0.61	(2.23)	1.79	0.70	1.94	(3.13)
Total increase (decrease) from operations ⁽¹⁾	1.37	(1.54)	3.59	1.31	2.94	(1.69)
Distributions:						
From income (excluding dividends)	(0.16)	(0.05)	-	-	-	(0.14)
From dividends	(0.38)	(0.32)	(0.44)	(0.39)	(0.36)	(0.51)
From capital gains	-	-	(0.80)	(0.05)	(0.17)	(0.21)
Return of capital	-	-	-	-	-	-
Total Annual Distributions ⁽²⁾	(0.54)	(0.37)	(1.24)	(0.44)	(0.53)	(0.86)
Net assets attributable to holders of redeemable units - per unit, end of year ⁽¹⁾	\$27.32	\$26.61	\$28.88	\$26.56	\$25.43	\$23.08

(1) Net assets attributable to holders of redeemable units and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(2) Distributions are reinvested in additional units of the Fund or paid in cash.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series A (inception September 10, 2015)	June 30, 2023	2022	2021	2020	2019	2018
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	178,086	167,796	140,981	126,739	118,828	23,801
Number of units outstanding (000s) ⁽¹⁾	6,353	6,178	4,770	4,657	4,542	1,000
Management expense ratio (%) ⁽²⁾	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)	-	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	63.21	69.45	57.06	69.53	58.14	64.22
Net assets attributable to holders of redeemable units - per unit (\$)	28.03	27.16	29.56	27.21	26.16	23.81

Series B	June 30, 2023	2022	2021	2020	2019	2018
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	58,397	68,682	120,753	101,897	95,174	82,212
Number of units outstanding (000s) ⁽¹⁾	2,007	2,443	3,988	3,651	3,549	3,373
Management expense ratio (%) ⁽²⁾	1.16	1.16	1.16	1.16	1.17	1.17
Management expense ratio before waivers or absorptions (%)	1.16	1.16	1.16	1.16	1.17	1.17
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	63.21	69.45	57.06	69.53	58.14	64.22
Net assets attributable to holders of redeemable units - per unit (\$)	29.09	28.12	30.28	27.91	26.81	24.37

Series F (inception September 10, 2015)	June 30, 2023	2022	2021	2020	2019	2018
Total net assets attributable to holders of redeemable units (\$000s) ⁽¹⁾	7,902	3,254	3,408	3,319	3,866	4,606
Number of units outstanding (000s) ⁽¹⁾	289	122	118	125	152	200
Management expense ratio (%) ⁽²⁾	0.92	0.92	0.93	0.92	0.93	0.94
Management expense ratio before waivers or absorptions (%)	0.92	0.92	0.93	0.92	0.93	0.94
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	63.21	69.45	57.06	69.53	58.14	64.22
Net assets attributable to holders of redeemable units - per unit (\$)	27.32	26.61	28.88	26.56	25.43	23.08

- (1) This information is provided as at December 31 of the year shown; unless noted otherwise.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Past Performance

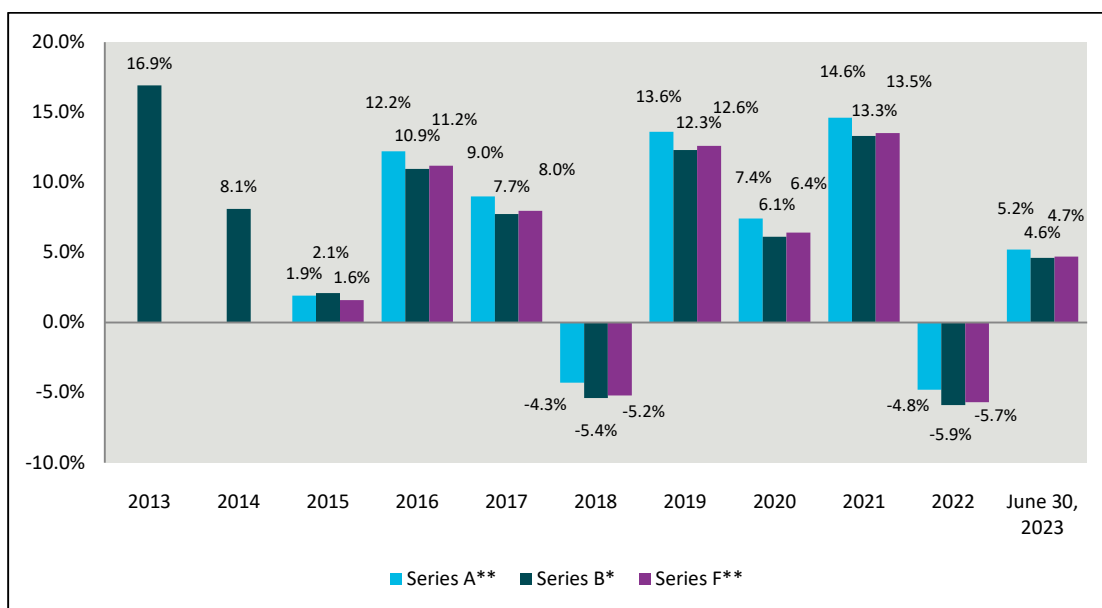
General

The Fund’s performance assumes all distributions made by the Fund in the years shown were reinvested in units of the Fund and is based on net asset value per unit. If you hold the Fund outside a Registered Plan, you will be taxed on these distributions.

The performance information does not take into account sales charges, other charges or taxes that, if applicable, would have reduced returns or performance; but includes management fees and other expenses borne directly by the Fund. Past performance does not necessarily indicate how the Fund may perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund’s historical return, which changes each year and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each year.



* This Series of the Fund was renamed Series B as of August 28, 2015.

** Series A and Series F units were created on September 10, 2015. Return for Series A and Series F from September 10, 2015 to December 31, 2015, not annualized.

Summary of Investment Portfolio

As at June 30, 2023

Top 25 Positions

Issuer	% of Net Asset Value
Leith Wheeler International Equity Plus Fund Series A	12.3%
Leith Wheeler U.S. Small/Mid-Cap Equity Fund Series A	4.9%
Cash & Other Net Assets	3.6%
Leith Wheeler Multi Credit Fund Series A	3.5%
Royal Bank of Canada	2.0%
Toromont Industries Ltd	2.0%
CPPIB Capital Inc 3.95% June 02, 2032	1.8%
Canadian Government Bond 3.75% February 01, 2025	1.7%
Toronto-Dominion Bank	1.7%
Canadian National Railway Co	1.6%
Constellation Software Inc	1.6%
Canada Housing Trust No 1 3.65% June 15, 2033	1.5%
Canada Housing Trust No 1 2.65% December 15, 2028	1.5%
Brookfield Infrastructure Partners LP	1.3%
CGI Inc	1.1%
Open Text Corp	1.1%
Saputo Inc	1.1%
Canadian Natural Resources Ltd	1.0%
Bank of Montreal	1.0%
Canadian Government Bond 4% June 01, 2041	1.0%
Tourmaline Oil Corp	1.0%
Pembina Pipeline Corp	1.0%
Waste Connections Inc	0.9%
Rogers Communications Inc	0.9%
Metro Inc	0.9%

Portfolio Allocation

Portfolio Breakdown	% of Net Asset Value
Bonds	32.5%
Canadian Equities	30.8%
U.S. Equities	16.9%
International Equities	11.4%
Cash & Other Net Assets	5.1%
High Yield Bonds	2.7%
Senior Loans	0.6%

The Fund held no short positions as at June 30, 2023.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.leithwheeler.com